

JANICE K. BREWER

Governor



HERBERT R. GUENTHER

Director

ARIZONA DEPARTMENT OF WATER RESOURCES

3550 North Central Avenue, Second Floor
PHOENIX, ARIZONA 85012-2105
(602) 771-8500

Via electronic mail & US Mail

April 6, 2009

Harold Thomas
J and N Land Inc., an Arizona corporation
6773 E. Burton Rd.
Show Low, AZ 85901

Water Report #53-700611.0000
Subdivision Name: Snowflake Highlands Unit 1
& Snowflake Commercial Park (see attachment
for description of lot numbers)
Owner: J and N Land Inc., an Arizona
corporation

Number of lots: 268

County: Navajo
Township 13 North, Range 20 East, Section 20

Water provided by: A. Petersen Water Co.

Water Type: Groundwater
Current water depth: No Information
provided
Estimated 100-year depth: No Information
provided
Current decline rate: No Information
provided
Basin: Little Colorado River Plateau

Annual Water Demand: 83.2 acre-feet/year

Dear Mr. Thomas:

Pursuant to A.R.S. § 45-108, the Department of Water Resources has reviewed the available information pertaining to the water supply for the above-referenced subdivision. This letter constitutes the Department's report on the subdivisions water supply as required by A.R.S. § 45-108(A).

Adequacy of the 100-year water supply was reviewed by the Department with regard to physical, legal and continuous availability, water quality, and financial capability. No information has been provided to the Department that indicates that the applicant has satisfied the adequate water supply requirements as set forth in A.A.C. R12-15-701 *et seq.* Therefore, the Department of Water Resources finds the water supply to be inadequate to meet the subdivision's projected needs.

Pursuant to A.R.S. §32-2181(F) a summary of the Department's report for those with an inadequate water supply shall be included in all promotional material and contracts for sale of lots in the subdivisions. We suggest the following synopsis:

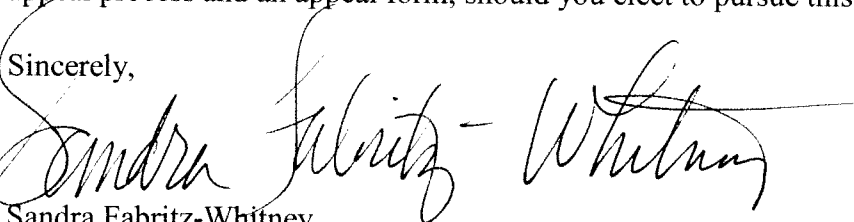
"Snowflake Highlands Unit 1 & Snowflake Commercial Park subdivisions are being served groundwater by A. Petersen Water Co. The developer has chosen not to demonstrate a 100-year adequate water supply. The applicant has not demonstrated that the criteria for physical, legal and continuous availability, water quality, and financial capability have been met. Therefore the Department must find the water supply to be inadequate. For additional information please contact Richard Obenshain, of the Office of Assured and Adequate Water Supply at 602-771-8622."

The developer, pursuant to A.R.S. §32-2181(F), may suggest a different summary of this report, but it must contain the above elements and/or the Department's findings.

This letter is being forwarded to you as required by A.R.S. § 45-108. This law requires the developer to hold the recordation of the subdivision's plat until receipt of the Department's report on the subdivision's water supply. By copy of this report, the Navajo County Recorder is being officially notified of the developer's compliance with the law.

Pursuant to A.R.S. § 41-1092.03, the Department is notifying you that the Director's determination and decision to issue this Water Report is an appealable agency action. You are entitled to appeal this action. If you wish to appeal this action, you must file a written appeal within thirty (30) days from receipt of this letter. I am providing you with a summary of the appeal process and an appeal form, should you elect to pursue this option.

Sincerely,



Sandra Fabritz-Whitney
Assistant Director
Water Management Division

cc: Via electronic mail:
Cindy Ferrin, Az. Dept. of Real Estate
Navajo County Planning and Zoning
Navajo County Recorder
Richard Obenshain, Office of Assured and Adequate Water Supply

Description of lots covered by Water Report DWR# 53-700611.0000

LOTS 2, 3, 5, 6, 12, 13, 18, 19, 21, 22, 103, 113, 137, 138, 139, 183, 186, 187, 188, 189, 190, 198, THE EAST ONE-HALF OF LOTS 20 AND 140, AND THE WEST ONE-HALF OF LOTS 14, 20 AND 132, OF SNOWFLAKE HIGHLANDS, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF NAVAJO COUNTY, ARIZONA, RECORDED IN BOOK 7 OF MAPS, PAGES 33 AND 34.

PARCEL NO. 2:

LOT 204 OF SNOWFLAKE HIGHLANDS, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF NAVAJO COUNTY, ARIZONA, RECORDED IN BOOK 7 OF MAPS, PAGES 33 AND 34;

EXCEPT ANY PORTION OF LOT 204 LYING WITHIN SNOWFLAKE COMMERCIAL PARK, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF NAVAJO COUNTY, ARIZONA RECORDED IN BOOK 8 OF MAPS, PAGE 29; AND

EXCEPT ANY PORTION OF LOT 204 LYING WITHIN AMENDED PLAT OF SNOWFLAKE HIGHLANDS UNIT II ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF NAVAJO COUNTY, ARIZONA, RECORDED IN BOOK 8 OF MAPS, PAGE 33.

PARCEL NO. 3:

LOT 10, OF SNOWFLAKE HIGHLANDS, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF NAVAJO COUNTY, ARIZONA, RECORDED IN BOOK 7 OF MAPS, PAGES 33 AND 34;
EXCEPT THE NORTHERLY 25 FEET THEREOF;

PARCEL NO. 4:

THE EAST HALF OF LOT 132, OF SNOWFLAKE HIGHLANDS, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF NAVAJO COUNTY, ARIZONA, RECORDED IN BOOK 7 OF MAPS, PAGES 33 AND 34.

LOTS 1, 8 THROUGH 14, 18, 22, 23, 24, 28, 33, 34, 36 THROUGH 44, 46 THROUGH 64, 67 THROUGH 75, 77 THROUGH 102, 104, 105, 106, 109 THROUGH 118, 121, 123, 124, 128, 129, 135, 136, 137, 138, 141, 142, 149, 150, 155, 156, 158, 159, 161 THROUGH 165, 169, 170, 180, 181, 182, 188, 190 THROUGH 193, 195, 196, 199 THROUGH 212, 217, 218, 221, 222, 223, 224, 225, 230 THROUGH 268, 272 THROUGH 288, 290, 296, 297, 303, 307, 318, 319, 329, 330, 332 THROUGH 338, 341, 343 THROUGH 353, 384 THROUGH 387, 389 THROUGH 394, 396, 397, 398, 400, 401, 402, 404, 406 THROUGH 408, 411, 412, 413, 415 AND 416 AND LOT 189, EXCEPTING FROM SAID LOT 189, THE NORTHERLY 25 FEET THEREOF, OF SNOWFLAKE COMMERCIAL PARK, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF NAVAJO COUNTY, ARIZONA, RECORDED IN BOOK 8 OF PLATS, PAGE 29. EXCEPT THE NORTHERLY 25 FEET OF LOT 1.

ARIZONA DEPARTMENT OF WATER RESOURCES

NOTICE OF RIGHT TO APPEAL AGENCY ACTION

I. Right to Request Hearing

You have the right to request a hearing on the agency action described in the enclosed letter. To request a hearing, you must file a notice of appeal with the Docket Supervisor, Arizona Department of Water Resources, 3550 North Central Avenue, Fourth Floor, Phoenix, Arizona 85012 within thirty (30) days from the date of your receipt of this letter. A Notice of Appeal form is enclosed. Pursuant to A.R.S. § 41-1092.03, the grounds for appeal by a party who will be adversely affected by the agency action and who exercised a right to comment on the action provided by law or rule is limited to the issues raised in the party's comments.

If you file a timely notice of appeal, a hearing will be scheduled and you will be given written notice of the time and place for the hearing at least thirty (30) days before the hearing date. The date scheduled for the hearing may be advanced or delayed on the agreement of the Department and the parties to the action or on a showing of good cause. **If no party files a notice of appeal within thirty days from the date of receipt of the enclosed letter, the agency action described in the letter will become final and will not be subject to judicial review.**

II. Right to Request Informal Settlement Conference

If you file a timely notice of appeal as described above, you will have the right to request an informal settlement conference. A request for an informal settlement conference must be in writing and must be filed with the Docket Supervisor, Arizona Department of Water Resources, 3550 North Central Avenue, Fourth Floor, Phoenix, Arizona 85012 not later than twenty (20) days before the hearing date. The enclosed Notice of Appeal form includes a place for you to request an informal settlement conference. If you file a timely request for an informal settlement conference, the Department will give you written notice of the time and place for the settlement conference. An informal settlement conference must be held within fifteen (15) days after the request is filed.

If an informal settlement conference is held, a person with the authority to act on behalf of the Department will represent the Department at the conference. The parties participating in the settlement conference will waive their right to object to the participation of the Department's representative in the final administrative decision. Statements, either written or oral, made by the appellant at the conference, including a written document, created or expressed solely for the purpose of settlement negotiations, are inadmissible in any subsequent administrative hearing.

III. Agency Contact Person

If you have any questions regarding the appeals process, or the process for requesting an informal settlement conference, please contact Kathleen Donoghue, Docket Supervisor, at (602) 771-8472.

ARIZONA DEPARTMENT OF WATER RESOURCES

NOTICE OF APPEAL OF AGENCY ACTION

1. Party filing this notice of appeal:

Name: _____
Address: _____
Phone No: (____) _____

2. The following action of the Department of Water Resources is being appealed:
(Please attach a copy of the letter which advised you of the action.)

3. The following is a concise statement of the reason(s) for the appeal:
(If you need additional space, please attach a separate page. **Note:** Pursuant to A.R.S. § 41-1092.03, the grounds for appeal by a party who will be adversely affected by an agency action and who exercised a right to comment on the action provided by law or rule is limited to the issues raised in the party's comments.)

4. Pursuant to A.R.S. § 41-1092.06, the appealing party may request an informal settlement conference. Such a request must be made no later than 20 days before the hearing. If an informal settlement conference is requested, the conference will be held within 15 days after the request is received by the agency.

The person filing this notice of appeal requests an informal settlement conference at this time
(check one):

Yes _____ No _____

Note: A person who participates in an informal settlement conference waives the right to object to the participation of the Department's representative in the final administrative decision. A.R.S. § 41-1092.06(B).

5. _____ Date: _____
Signature of filing party

Print or type name

Include title if applicable

FILING OF FORM: A party who desires to file a notice of appeal must complete this form and file it with the Docket Supervisor, Arizona Department of Water Resources, 3550 North Central Avenue, Fourth Floor, Phoenix, Arizona 85012 within thirty (30) days after the date the party received notice of the appealable agency action.